



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Finance Management

1985 Umstead Drive • 2501 Mail Service Center • Raleigh, N.C. 27699-2501

Michael F. Easley, Governor
Dempsey Benton, Secretary

William W. Lawrence, Jr., M.D., Acting Director

September 21, 2007

MEMORANDUM

TO: Direct Enrolled Mental Health Residential Treatment Providers
FROM: Aydlett Hunike, Chief of Rate Setting
SUBJECT: 2008 Mental Health Residential Treatment Cost Report

The Division of Medical Assistance (DMA) requests cost data from the directly enrolled Mental Health Residential Treatment providers in accordance with Paragraphs 7 and 8 of the Medicaid Participation Agreement:

According to the Medicaid Participation Agreement signed by your agency, the Division of Medical Assistance can require providers "to disclose fully the extent of services provided and billed to the Medicaid Program..." (A.5.) and "on request, furnish to the Division of Medical Assistance and its agents, the Centers for Medicare and Medicaid (CMS), or the State Medicaid Fraud Control Unit of the Attorney General's Office, any information or records, including records of any outside entities, contractors or subcontractors for cost related to services provided to Medicaid patients and billed to the Medicaid Program." (A.6.) Furthermore, B.10.a states "the Division of Medical Assistance may terminate the provider agreement if the provider fails to meet conditions for participation..." Non-compliance with the Mental Health Residential Treatment cost report requirements will result in withholding Medicaid dollars from your agency.

The 2008 Mental Health Residential Treatment Cost Report is due January 31, 2008. If your agency meets one of the criteria listed on the enclosed **Exemption Form**, you may request an exemption from filing the 2008 Mental Health Residential Treatment Cost Report by submitting that form.

A copy of the cost report package will be available online by October 15, 2007 at

<http://www.ncdhhs.gov/dma/costreports.html>

For those providers without internet access, a diskette that contains the cost report package is available by notifying DMA at 919 855-4200. The package includes the actual cost report in Excel format and instructions for completing the cost report.

To assist you in completing the cost report, training classes will be held at the Division of Medical Assistance, Room 297 Kirby Building, 1985 Umstead Drive, Raleigh NC 27603. All Residential Treatment providers are encouraged to register and attend. These are half day training sessions consisting of an overview of the cost reporting process and specific examples for preparing the cost report. Time will also be provided for questions and answers. **The deadline to register for training is Friday, October 26, 2007.** The enclosed **Registration Form** must be emailed or faxed to our office. Please be sure to include your email address as it will be used to confirm your registration. Your seat is not guaranteed unless confirmed by DMA.

Providers not submitting the cost report to DMA by the due date shall be assessed a 20% withholding penalty against future payments until the cost report requirements are met.